Addressing finance demand for smallholder & sustainable agriculture - at scale

SAFIN Workshop
November 2017 - Rome
Triodos Bank
Our organization – 35+ years mobilizing finance for quality of life

- European independent retail bank
- Leading in sustainable banking
- Since 1980 | 5 countries | 600,000+ clients
- EUR 13.5 billion AuM | 1,100+ co-workers
- Core tier 1 ratio: 19.8%

Foundation for the administration of Triodos Bank Shares

Retail & Business Banking
Netherlands | Belgium | Germany | Spain | United Kingdom

Investment Management
Europe | Emerging markets

Private Banking
Netherlands | Belgium

- 20+ years track record in impact investing
- 6 impact areas
- 500+ direct investments across the globe
- EUR 3.5 billion AuM
- 150+ investment professionals
About CSAF

Market Growth to meet a greater share of the vast financing need of the world’s 450 million smallholder farmers.

Responsible Lending Principles promoting market growth that contributes to positive impact on agricultural businesses, the smallholder farmers they aggregate, and long-term sustainability of the sector.

Social & Environmental Impact for farm households, their communities, and the ecosystems on which we all depend.
In Collaboration With

Mastercard Foundation

Small Foundation

mix

© 2017
Understanding demand, the early days....
2016 Inflection Point: 270 million smallholders – $200 Bn finance need – now $50Bn provided...how much is addressable, and by which source?

1) Some social lenders also lend further downstream to distribution and/or wholesale actors;

2) SGB = Small, growing business

Source: Dalberg analysis
Growth Trends & Insights
2016 At A Glance

$682M disbursed to 765 businesses across 65 countries earning $7.6B combined revenue from 2.3M farmers (29% women) managing 2.6 Ha on average.

© 2017
Trends indicating demand and risks...
Map the **impact gradient** to understand the risk of climate change over time.
Mapping portfolio exposure
Investment portfolios supporting CSA investments

Must come with matching blended finance and TA

- Increase shade cover
- Improved crop management including pest and diseases
- Soil and fertility management
- Water management

- New varieties
- Irrigation and water harvesting
- Introduction of other crops and sources of on and off-farm income

- Move from diversification to replacement of coffee with other crops
- Emigrate to other region
- Off-farm employment

Tailored CSA investment plans

Different sources of investment